



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Wednesday, June 21, 2006

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BAUCUS PRESSES FOR SANCTIONS IF JAPAN KEEPS BEEF BAN

Finance committee's top Democrat says agreement reached last night may resolve issue, but Japan must now honor new promises to accept U.S. beef this summer

Washington, DC – U.S. Senator Max Baucus (D-Mont.), ranking Democrat on the Senate Finance Committee, today called for trade sanctions against Japan if that nation fails to keep a new agreement that would partially lift its ban on U.S. beef. U.S. and Japanese trade negotiators agreed last night that Japan will inspect the 35 plants eligible to export beef to that country, and then accept boneless U.S. beef from cattle less than 20 months of age. Baucus praised the agreement in principle, but today cosponsored legislation with Senators Kent Conrad (D-N.D.) and Pat Roberts (R-Kan.) that will impose tariffs on Japanese imports equal to \$3.14 billion annually – roughly the amount U.S. beef exporters lose annually by being shut out of the Japanese market – if Japan does not lift its ban by August 31, 2006. Except for a brief period earlier this year, Japan has banned U.S. beef since December 2003.

“In my experience, the only thing that really gets the Japanese to change is leverage. I hope that Japan will abide by this new agreement, but if they don’t we’re not kidding around. We will pass this bill and impose economic sanctions on Japan,” said Baucus. **“I do not want to find that this deal was only an effort to paper over this issue before Prime Minister Koizumi’s visit to Washington next week. There have to be consequences if Japan continues to break WTO rules and hurt U.S. farmers and ranchers.”**

In 2003, Japan banned U.S. beef after a cow in Washington state tested positive for bovine spongiform encephalopathy, or BSE. In December of 2005, Japan lifted its two-year old ban on U.S. beef from cattle less than 20 months of age, but suspended imports again in January after a Japan-bound veal shipment was found to contain a backbone that posed no risk to human health. In the intervening months the U.S. has been forthcoming with Japan about its safety processes.

Baucus has been at the forefront of efforts to urge Japan to lift its beef ban. He met with Japan’s Ambassador Kato on two separate occasions this year. Baucus also sent letter to Prime Minister Koizumi in May, strongly urging an end to the beef ban. Last December, Baucus submitted comments in Japanese to Japan’s Food Safety Commission regarding steps by American producers to ensure the safety and quality of U.S. beef. Senator Baucus also traveled to Japan to meet with Japan’s trade and agriculture ministers to argue for lifting the ban. He brought senior officials from Japan and other Asian countries to eat Montana beef on a Montana ranch to encourage them to lift the ban.

“This ban is costing U.S. cattle and beef industries hundreds of millions of dollars each month. This ban is jeopardizing the livelihoods of ranchers in my home state of Montana and across the United States,” said Baucus. **“The internationally accepted scientific evidence, and Japan’s own study, show that our beef is safe. U.S. beef, including Montana beef, belongs on Japanese supermarket shelves and dinner tables now.”**

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